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Reports of UNDP, UNFPA and UNOPS Ethics Offices

Activities of the UNDP Ethics Office in 2015

Report of the Ethics Office

Summary

Pursuant to decision 2008/37 of the Executive Board, the UNDP Ethics Office submits the present report covering its activities in 2015. In accordance with the Secretary-General's bulletin on United Nations system-wide application of ethics: separately administered organs and programmes (ST/SGB/2007/11), the Ethics Panel of the United Nations reviewed the report at its seventy-sixth session on 9 February 2016; the report was subsequently presented to the Administrator of UNDP. As required by the Executive Board, pursuant to its decision 2011/24, this report includes recommendations to management on strengthening the UNDP culture of ethics, integrity and compliance.

This is the eighth annual report presented by the Ethics Office since its establishment in 2007.

Elements of a decision

The Executive Board may wish to take note of the present report and comment on the progress made by the UNDP Ethics Office in strengthening the ethical culture in UNDP, including training, raising ethics awareness and protection against retaliation.

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I. Introduction

1. The present report is submitted pursuant to Executive Board decision 2008/37 and discusses the work of the Ethics Office for 2015, in accordance with its mandate to "cultivate and nurture a culture of ethics, integrity and accountability, and thereby enhance the trust in and credibility of the United Nations, both internally and externally", as highlighted in the Secretary-General's bulletin ST/SGB/2007/11, section 1.1.

2. The report summarizes the activities of the Office in each area of its mandate, and reflects its vision for programme enhancement and embedding ethics in business processes and decision-making, in connection with the shared value of 'operating with unwavering integrity'. This report highlights the progress of the Office in supporting ethical leadership, including through face-to-face briefings and personal engagement with leaders and managers, and through improved use of electronic and social media to promote an ethical work environment and foster an ethical culture in UNDP.

3. The UNDP Ethics Office operates on principles of independence, impartiality and confidentiality. It supports all UNDP staff, management and non-staff personnel in maintaining the highest standards of conduct, and in reinforcing the UNDP values of integrity, transparency, accountability, mutual respect, professionalism and results orientation through principled performance. The Office encourages staff and managers to be role models of the ethical behaviours which it wants to see in the workplace, and to promote a work environment where individuals are comfortable speaking up and raising concerns without fear of retaliation, including whistleblower protection.

4. In 2015, an extremely challenging year, the Ethics Office faced multiple obstacles, but also experienced unprecedented growth and innovation. The Office expanded on its methods of raising ethical awareness across the organization and finalized revised training. It both reached more individuals via in-person training and dealt with more cases and inquiries than ever before in its history. However, the Office achieved these results by overcoming the challenges of operating without a junior professional officer position (the first full year without one), and with the departure of the Ethics Adviser in August 2015. This left the Director as the sole ethics professional to handle all matters and training for the remainder of the year.

5. During the reporting period, the Ethics Office continued to serve individual clients and worked closely with the various business units in UNDP on policies, processes and practices within their respective areas of responsibility. These included policies associated with anti-fraud, acceptable use of information technology resources, innovation challenge, procurement forecasting, human rights screening, internships, protection against retaliation, as well as other policies affecting managerial practices and staff-conduct issues. The engagement of the Office continues the spirit of collaboration and growth of the ethical culture of the organization.

6. This annual report also provides a synthesis of the ethical climate in UNDP based on feedback from staff and management during personal consultations, in-person trainings and other meetings. This analysis, in part, forms the basis for recommendations made to management.

7. The results of the 2014 global staff survey became available in early 2015 and some of the findings have also led to comments and conclusions contained within this report.

8. In 2015, the Ethics Office continued to contend with the impact of the structural reorganization that UNDP had commenced in 2014, in line with the vision of the

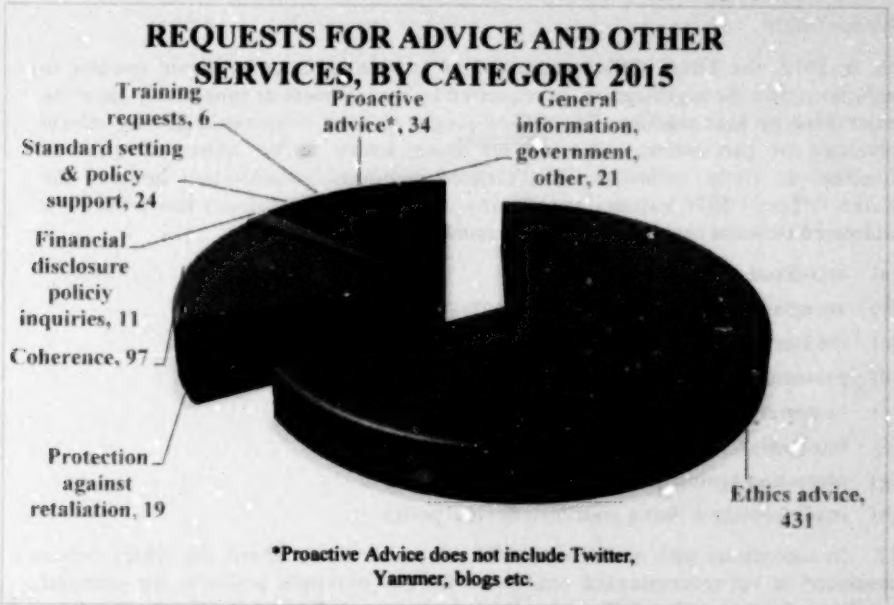
UNDP strategic plan, 2014-2017. Some staff reductions, delayed from 2014, were implemented in 2015 and again led many affected international staff to contact the Ethics Office to seek confidential advice and guidance. As in 2014, many staff questioned whether their selection was done in a fair or equitable manner, or was potentially retaliatory; among those who formally sought protection, one resulted in a finding of retaliation and one did not.

9. As in prior years, the Office undertook activities in all areas of its mandate, including: (a) standard-setting and policy support; (b) training, awareness-raising and outreach on ethics issues; (c) providing confidential advice and guidance to staff and management on ethics issues and ethics-related policies; (c) administering the financial disclosure programme; and (d) administering the protection against retaliation policy. The Office experienced a marked increase in requests for services in some areas, including requests for advice and guidance and for protection against retaliation. It also continued to collaborate with the Ethics Panel of the United Nations (EPUN) and the Ethics Network of Multilateral Organizations (ENMO) to harmonize ethics policies and practicies within the United Nations system.

10. The Ethics Office is proud of how well the organization, overall, has embraced ethics as an essential and critical facet of how it conducts business and provides services. The leadership at the business unit, country office and regional office levels have all welcomed the Ethics Office, and staff, management and contractors have all sought out its advice, guidance and training. Personnel, including senior leaders at headquarters, have similarly confided in the Office and solicited assistance in handling sensitive matters. The Office has also cultivated a renewed collaborative relationship with the Office of Human Resources, the Office of the Ombudsman, the Staff Council, the Investigations Unit of the Office of Audit and Investigations and the Office of Legal Support. In fact, all of these offices were invited to speak on one panel at the Regional Bureau for Africa's leadership cluster meeting in Madagascar, a true showing of how ethical behaviour and ethical business decision-making are valued at UNDP.

11. The Ethics Office believes that the culture of an organization will drive how individuals behave, how decisions are made and how the organization is perceived by internal and external stakeholders. In fostering a positive and ethical culture, UNDP must not only establish and hold staff to the highest standards of behaviour; the organization itself must also demonstrate the same high standards in how it deals with its own personnel. One of the most critical roles for the Ethics Office is to support UNDP in fostering an ethical organizational culture by serving as a source of confidential advice and guidance to all, and to ensure the policies, practices and processes of the organization reflect and promote the required standards of integrity, impartiality, fairness and transparency. The promise of confidentiality is key to attracting staff and other personnel to seek advice and guidance; they must believe that they have a safe haven in which to discuss sensitive issues. Overall, in 2015 the Office dealt with 643 requests for services, an increase of 46 over 2014, and an all-time high. Figure 1, below, displays the breakdown of requests for services received by the Office for the period.

Figure 1. Requests for advice and other services by category, 2015


REQUESTS FOR ADVICE AND OTHER SERVICES, BY CATEGORY 2015
Training requests, 6
Proactive advice*, 34
General information, government, other, 21
Standard setting & policy support, 24
Financial disclosure policiy inquiries, 11
Coherence, 97
Protection against retaliation, 19
Ethics advice, 431
*Proactive Advice does not include Twitter, Yammer, blogs etc.

II. Administrative activities

12. During the first seven months of 2015, the Office was staffed with a Director at the D1 level, an Ethics Adviser at the P5 level, and an Administrative Assistant at the G6 level. However, the P5 Ethics Adviser resigned in the beginning of August to assume the role of Ombudsman for the United Nations Funds and Programmes. This left the Office with only one professional (the D1 Director) to handle all substantive ethics matters, training and the dispensing of advice and guidance for the entire organization for the remainder of the year. As of year end, no replacement for the P5 had been hired. This dearth in staffing was compounded by the fact that no Member State has come forward to offer a junior professional officer to join the Ethics Office, despite multiple pleas.

13. In 2015, the budget for general operating expenses for the Office was initially set at $200,000 (where it has remained constant for the past six to seven years) but was subjected to a 15 per cent 'holdback' owing to the UNDP anticipated difficulty in fully collecting core contributions from donor countries; in late 2015, 50 per cent of the holdback was released, but still resulted in the Office operating with a reduced general operating budget of $185,000 for the year. The budget for personnel costs was similarly subject to the holdback.

14. Despite the staffing and budget challenges, the small Ethics Office has been able make visible impact in the organization by being strategic, creative and innovative.

III. Mandated activities

15. During 2015, the Ethics Office was engaged in fulfilling its mandate in all of its functional areas of responsibility.

A. Standard-setting and policy support

Within UNDP

16. In 2015, the Ethics Office continued to provide input on proposed updates to policies across the organization, as requested by management or proactively based on experience or best practice. The Office sought to raise concerns regarding ethical practices or perceptions, allowing for these issues to be addressed prior to finalization. These initiatives all evidenced continued collaboration between the Ethics Office, UNDP bureaux and country offices. Specific policies and procedures addressed included review, edit and/or commentary on:

(a) anti-fraud,

(b) acceptable use of information technology resources,

(c) the innovation challenge competition,

(d) procurement forecasting,

(e) human rights screening,

(f) internships,

(g) protection against retaliation, and

(h) implementing a 'bring your own device' policy.

17. In accordance with decision 2010/17 of the Executive Board, the Ethics Office continued to vet recommended candidates for key oversight positions for potential conflicts of interest. The Office also briefed all new staff hired in Director level (or above) positions at headquarters, and met with other such individuals as they visited headquarters or while in the field.

18. In 2015, the Bureau for External Relations and Advocacy invited the Director of the Ethics Office to serve on the Information Disclosure Oversight Panel to provide an ethics perspective. The panel reviews appeals from members of the public who have sought, and been denied, the release of information from UNDP.

B. Training, outreach and awareness-raising

19. Training and awareness-raising remain key elements of the work of the Ethics Office. Training is intended to bring everyone up to speed and reinforce expectations around ethical behaviours and ethical business decision-making by emphasizing the 'business value' of ethics, and why acting with ethics and integrity is in the best interest of the organization and the public that UNDP serves. Separate ethical leadership training reinforces 'tone at the top' and 'mood in the middle' (mid-level managers who handle day-to-day operations), reminding them that they must exhibit role-model behaviours in order to expect the same of their employees. It is their duty to foster a harmonious work environment and hold individuals accountable to the required standards.

20. Managers are also expected to promote a speak-up culture where staff and other personnel are encouraged to raise concerns without fear of reprisal. Staff have an obligation to report misconduct and cooperate with duly authorized audits and investigations; the message must be constantly reinforced that they will be protected from retaliation for fulfilling this duty.

Online course and related modules

21. The UNDP staff training programme includes a new, mandatory online ethics course which provides a basic primer on ethics at UNDP. The course, developed in 2014 but finalized in 2015, uses relevant, scenario-based instruction, and is highly interactive and engaging. Rather than focus simply on rules and regulations, the

course is more pragmatic in its approach and reinforces ethical concepts in a United Nations context – why the rules make sense and how they are applied. The course was developed to be more meaningful and relevant to all staff by introducing real-life situations, and encourages staff to uphold the highest standards of behaviour and to speak up and report wrongdoing without fear of reprisal. To date, 1,267 staff have completed the new course (in English, French or Spanish). Though the new course was put in place for all new hires in 2015 and beyond, the course is scheduled to be assigned to all *existing* staff as a mandatory refresher in 2016. This is in keeping with best practice in the private and government sectors where refresher ethics training is assigned every one to three years.

22. During 2015, the Office also finalized and launched three additional voluntary training modules on protection against retaliation, the financial disclosure programme, and avoiding conflicts of interest, in English, Spanish and French. To date, 97 staff have completed the conflict of interest course, 91 have completed the protection against retaliation course and 106 have completed the financial disclosure programme course.

Face-to-face workshop and webinars

23. In 2015, the Ethics Office experienced tremendous growth in the area of in-person ethics workshops, briefings and ethical leadership sessions. The Office embarked on several missions to cover a larger number of individuals, augmented by the live web trainings it had introduced in 2015. The Office provided or arranged for in-person trainings for country office and leadership teams in Belarus, Benin, Burundi, Colombia, Ghana, Guatemala, Jamaica, Malawi, Malaysia (both the country office and the global shared service centre), Mexico, Peru and Tajikistan. The Office also addressed Office of Human Resources staff retreats, in-person in New York and live via the web in Copenhagen, and participated in a panel discussion at the Regional Bureau for Africa leadership cluster meeting in Madagascar. The Office also provided a live via-the-web training to the leadership team of the country office in Mexico.

24. The results of the 2014 UNDP global staff survey became available in early 2015 and formed the basis for tailored ethics training to the specific countries and regions the Office visited. This permitted the Office to focus on the areas of greatest sensitivity and relevance to the audience. As such, training went smoother and audience engagement was increased. The survey included many questions aimed at gauging staff perceptions of ethics and integrity within the organization, and was supplemented by other questions that allowed for root cause analyses of the results. For example, based in part on tailored training, staff comfort with reporting misconduct improved in 2014 (reported in 2015); this was an area noted in the Ethics Office 2014 annual report as in need of improvement.

25. During 2015, approximately 1,291 staff members and other personnel participated in face-to-face ethics workshops, group briefings, panel discussions and live/web-based training sessions, up from 803 in 2014, an increase of 60 per cent.

Senior management briefings

26. During 2015, the Ethics Office continued to reinforce and strengthen the ethical culture in UNDP. While senior leadership regularly approaches the Office when in need of confidential and pragmatic ethics advice, the Office also regularly conducts proactive efforts to engage leadership and to ensure ethics remains a value-added component of many business discussions. The Ethics Director continued to meet regularly with many members of regional bureaux leadership, and most other members of the Organizational Performance Group. The Office has also maintained a very close, cordial and collaborative relationship with Staff Council, the Office of Audit and Investigations, the Legal Support Office, the Office of Human Resources, and an even stronger connection with the Office of the Ombudsman now that the former UNDP Ethics Adviser has been named Ombudsperson.

27. While the Office emphasizes that senior leadership must exhibit role model behaviour of ethics and integrity (setting the 'tone at the top'), it continues to focus on the middle management layer as the most crucial, as they oversee day-to-day operations and are therefore in position to have the greatest meaningful impact on the workforce.

28. The Office individually met with six newly hired executives at the D1 level or above to brief them on ethics at UNDP, including a review of any potential conflicts of interest. The Office was also called on to join in training efforts for new Executive Board members, new resident coordinators/resident representatives, new country directors, and their respective deputies, operations managers, and new junior professional officers, among other groups.

Awareness-raising and communication activities

29. Since his arrival at UNDP in 2012, the Director has led significant change in the manner and volume of ethics awareness efforts to promote and grow the ethical culture in the organization. While bulletins and emails have been in place as regular tools, social media is now innovatively exploited to spread the message that ethics is to be an integral part of every discussion. The organization's reputation relies on its need to be viewed as an honorable, trustworthy entity with the highest degree of integrity in all aspects of its operations. While it continues to reinforce with leadership the need to maintain a speak-up culture in their respective units, supporting staff members to raise concerns without fear of retaliation, the Office focuses on convincing staff and other personnel that their protection and safety in such instances is paramount. This has led to positive results in the global staff survey regarding staff comfort in reporting wrongdoing.

30. The awareness campaign via social media now includes regular Twitter messages to UNDP staff and other personnel as well as the general public in order to emphasize the UNDP reputation as an organization that operates with unwavering integrity. In 2015, the Office issued 67 'tweets' on ethics-related topics and generated 88 new Twitter followers. Mid-year, the Office also joined Yammer, an enterprise social network internal to UNDP and akin to Twitter, on which the Office issued 19 ethics-related messages for the year.

31. As noted, the Ethics Office continued to send emails and bulletins to UNDP leadership and staff on ethics related issues, and supplemented those with ethics blog postings on its intranet site. The series of ethical leadership pieces (disseminated to all management in UNDP) continues to receive great positive reaction from recipients who appreciate the conversational tone and practical advice. Overall, five broad bulletins were issued in 2015, and four blog postings on the Ethics Office intranet site. One of the bulletins, providing detailed guidance on seeking approval to engage in outside activities, led to a large number of requests that required vetting by the Ethics Office. These outreach efforts also continued to drive requests for the Office to personally address region, country and business unit teams.

32. The Ethics Office again updated, revised and improved its intranet site to provide substantial support to staff and managers through easy access to informational material and policy documents (for example, updated and revised resources for outside activity, conflict of interest disclosure, financial disclosure programme, and protection against retaliation policies and forms), as well as guidance messages on nurturing and supporting an ethical culture in UNDP. The content is kept current and is regularly augmented by new and practical resource material, updated policies, articles, white papers and videos (most available in English, French and Spanish). The Ethics Office intranet site continues to provide great value to staff, contractors and management.

33. Our intranet, Twitter, Yammer, email and blog messages have been cross-posted on many regional and business unit sites (in an effort to reach as many personnel as possible) and have been re-issued or picked up by others within and outside the organization. These and similar messages (for example, holiday guidance around gifts

and social behaviour, social media, guidance on outside activities) were also shared with and used by the Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations. Such regular messaging to staff keeps ethics 'top of mind'.

34. During the year, the Ethics Office completed a second review and redrafting of its four informational brochures on avoiding conflicts of interest, protection against retaliation, the financial disclosure programme, as well as an overview of the Ethics Office. The brochures utilize vivid colour schemes and graphics, are user-friendly, visually appealing, online and interactive. Because they are on-line, they can be easily updated and avoid becoming outdated, as happens with printed material; and because they are 'print-on-demand', the organization saves on expensive pre-printing and shipping costs.

35. In 2015, the Office continued to distribute small promotional items at its ethics workshops, containing contact information and ethics slogans. These include UNDP 'Ethics Champion' lapel pins, USB cards, wallet cards and note pads. The items were very well-received and continue to remind attendees to infuse ethical thinking and decision-making in everyday activities. These items have all served to vastly increase exposure for the Office and generate higher call volume.

Other awareness and briefings

36. The Ethics Office broke new ground in 2015. For the first time, the Office developed and delivered a third party ethics briefing for government and vendors/partners with a pilot presentation in Peru. The Office also participated both as presenter and panel moderator at the Sixth UNDP Global Policy and Programme Dialogue on Anti-Corruption in Malaysia. Additionally, at the request of the Bureau for External Relations, the Office conducted a day long series of meetings in Washington, D.C., in order to tout UNDP accomplishments and best practices in ethics, aimed mainly at government regulatory and legislative parties, as well as private critics of the United Nations. The day culminated with a live interview, transmitted over the web by DEVEX, on "What makes 'ethical leadership' effective?" DEVEX is an Internet service self-proclaimed to be the "media platform for the global development community". The interview was in turn picked up by one of the leading ethics publications, *Ethikos*.

C. Confidential advice and guidance

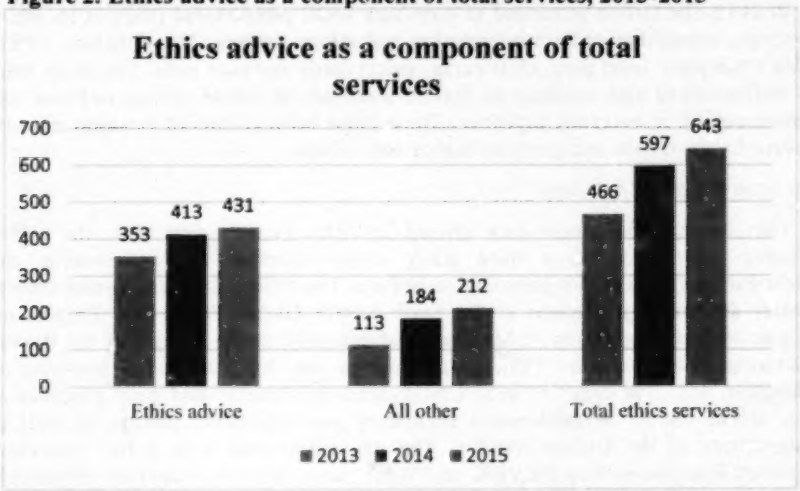
37. UNDP culture drives behaviour, decision-making and, utimately, how the organization is perceived by personnel, suppliers, donors, Member States and the public that it serves. It is therefore imperative that UNDP demonstrate a positive, *ethical* culture, and hold itself and its staff to the highest standards of integrity, including demonstrating the same high standards in how it deals with its own personnel. The Ethics Office supports these efforts by serving as a source of confidential, pragmatic advice and guidance to staff, contractors and management alike. Fair and equitable development, interpretation and application of the policies, practices and processes of the organization reinforce the required standards of integrity, impartiality, fairness and transparency.

38. The provision of confidential advice and guidance on ethics-related matters is a key function of the Office. Through direct contact with staff and other personnel, the Office influences individual behaviours which, in turn, impacts organizational culture and image. Through the Ethics Office, individuals obtain guidance on how best to deal with sensitive and difficult situations, receive critical feedback on the appropriateness of certain actions and behaviours, redress or avoid perceived retaliation, and ensure that activities inside and outside UNDP do not undermine the integrity, independence and impartiality required of international civil servants. Personnel are thus better able to manage conflicts of interest and take on and resolve

ethical dilemmas. Access to the confidential services of the Office provides staff, contractors and management with a safe haven within which to raise concerns, and serves to alert the Office to situations that may require swift, decisive action in order to mitigate any harm to the individual or the organization.

39. Building on the trust established over the past few years, 2015 saw significant growth in the number of UNDP staff, contractors and management who sought advice and guidance from the Ethics Office. Figure 2 below shows that in 2013 the Office fielded 466 requests for service, of which 353 were for ethics advice and guidance. In 2014, those numbers climbed to 597 and 413, respectively, and in 2015, the numbers climbed again to 643 and 431, respectively.

Figure 2. Ethics advice as a component of total services, 2013-2015



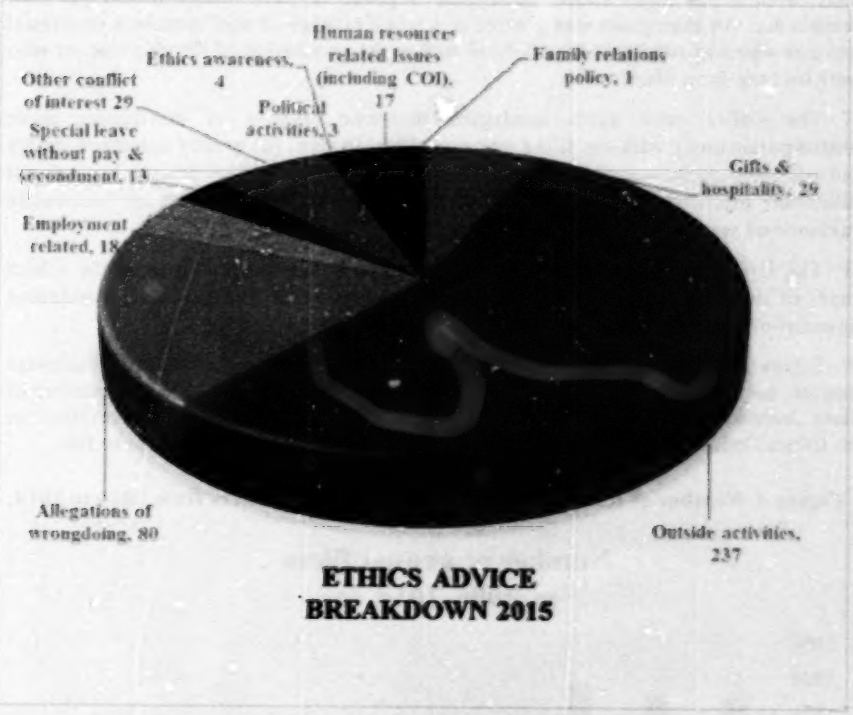
40. In 2015, a greater number of individuals (19) reached out to the Office for advice and guidance regarding protection against retaliation than in 2014 (14), also an all-time high. Because the UNDP structural realignment continued into 2015, the number of individuals seeking advice and guidance related to the restructuring continued at a steady stream. Many sought confidential advice, not knowing whether there was an ethical component to the decision to eliminate their positions, and others simply to explore whether job loss could be tied in some way to potential retaliatory action. While each matter required significant time and attention in order to provide staff with adequate answers, this provided the Office with confidence that individuals are growing comfortable with the processes available. Nonetheless, given some of the inquiries, there was concern that frank communications regarding the restructuring process would have led to less confusion, and consequently less suspicion, among those adversely affected. Finally, some individuals regrettably sought to misuse the protection against retaliation process as an attempt to delay their otherwise justified departure from UNDP (for example, a fairly implemented staff reduction, or when a contract reached its natural end).

41. Reinforcing its independence and loyalty to the best interests of the organization, the Ethics Office's advice and guidance are viewed as impartial, realistic and pragmatic. Personnel regularly approach the Office without hesitation, often thanks to the training, extensive outreach and awareness pieces issued throughout the year. The Office's counsel is often provided proactively, before actions are taken, in order to mitigate the probability of ethical issues arising. During 2015, the Office continued to cultivate and nurture these relationships and is regularly involved in policy review and projects in order to draw on its business expertise and experience as well as ethics knowledge. The

value the Office brings to various conversations through its common sense approach to risk awareness and mitigation has engendered confidence in its abilities

42. Over the year, of the 643 requests for services received by the Ethics Office, 431 were for ethics advice. As shown in figure 3, the main area of concern for staff members and other personnel seeking ethics advice in 2015 pertained to outside activities (237), representing 55 per cent of the total.

Figure 3. Ethics advice breakdown, 2015


Human resources related Issues (including COI), 17
Ethics awareness, 4
Family relations policy, 1
Other conflict of interest 29
Political activities, 3
Special leave without pay & secondment, 13
Gifts & hospitality, 29
Employment related, 18
Allegations of wrongdoing, 80
Outside activities, 237
ETHICS ADVICE BREAKDOWN 2015

D. Financial disclosure programme, 2014 transaction year, filed in 2015

43. The Office administers the financial disclosure programme, implements annual and periodic filing exercises, reviews disclosed information, verifies information provided and provides advice and guidance to mitigate any conflicts of interest detected or disclosed. During 2015, the Office introduced an on-line financial disclosure programme training module serving focal points and heads of business units in their efforts to identify and register individuals who meet the criteria for filing.

44. The financial disclosure programme is designed to assist the organization in detecting actual and potential conflicts of interest between a staff member's (or a service contractor's) private interests and his or her official obligations. Its primary purposes are to: (a) assure that the independence and impartiality of UNDP staff are preserved in official decision-making; and (b) promote transparency and public confidence in UNDP. Staff regulations require all staff at the D1 level and above, and other designated staff members, upon appointment and annually thereafter, to file a financial disclosure statement concerning themselves, their spouse and dependent children. When requested, filers are required to assist in verifying the accuracy of the information submitted.

45. In 2015, the Office fully implemented filing by UNDP service contractors who met filing criteria (previously a pilot programme). Because, generally, service contractors are not to be placed in such positions (such as procurement) that meet the filing criteria, the numbers were small.

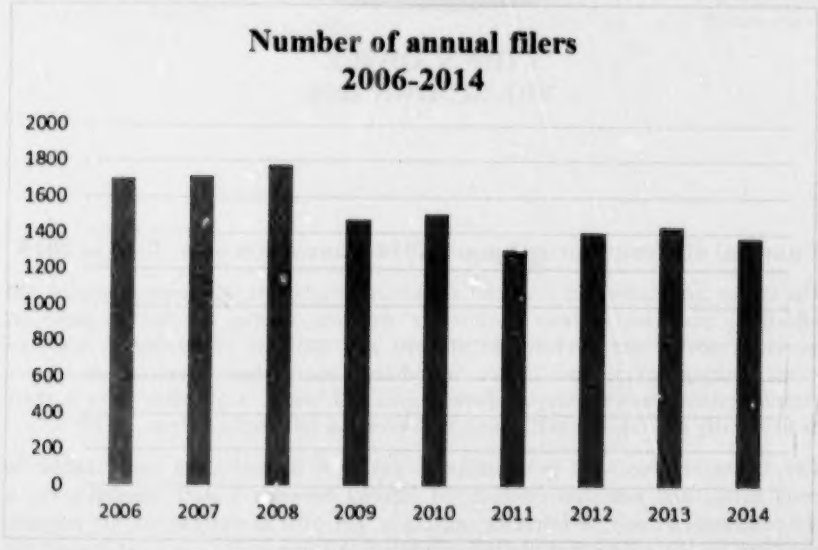
46. In 2015, the Ethics Office implemented its ninth annual financial disclosure exercise, regarding the 2014 transaction year. The exercise started on 1 March with the disclosure of the financial interests and outside activities of 1,375 selected filers, their spouses and dependent children (down from 1,435 in 2014). Though, as always, there were a few tardy filers, the Office is proud to have achieved 100 per cent compliance. An exemption was granted to a small number of staff members on special leave or who had separated from UNDP before the conclusion of the exercise, or who were on long-term illness.

47. The Office once again conducted real-time reviews of disclosures made contemporaneously with the filing exercise. This, in turn, (a) greatly enhanced timely and efficient communication with filers; (b) enabled the Office to quickly request additional information or clarification; and (c) permitted provision of immediate guidance on ways to mitigate potential conflicts of interest.

48. The Office also met with and provided support to some members of the Ethics Panel of the United Nations in an effort to enhance or create their own standalone financial disclosure programmes.

49. Figure 4 below shows the evolution in the number of financial disclosure programme filers from its inception in 2006. After a peak year in 2008, the number of filers decreased and stabilized around 1,400 filers per year, following a revision by the Ethics Office of the methodology for identifying individuals who need to file.

Figure 4. Number of financial disclosure policy annual filers from 2006 to 2014



50. Figures 5 and 6 below display the percentage of financial disclosure programme filers by rank and function for the most recent filing exercise. As in the past, middle management and procurement comprise the largest percentage at 29 and 33 per cent of the total population, respectively.

Figure 5. Breakdown of financial disclosure policy filers by rank, 2014

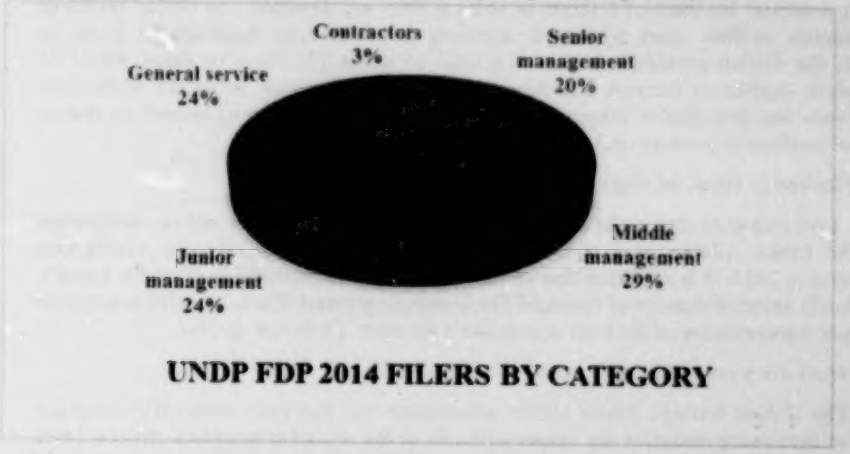
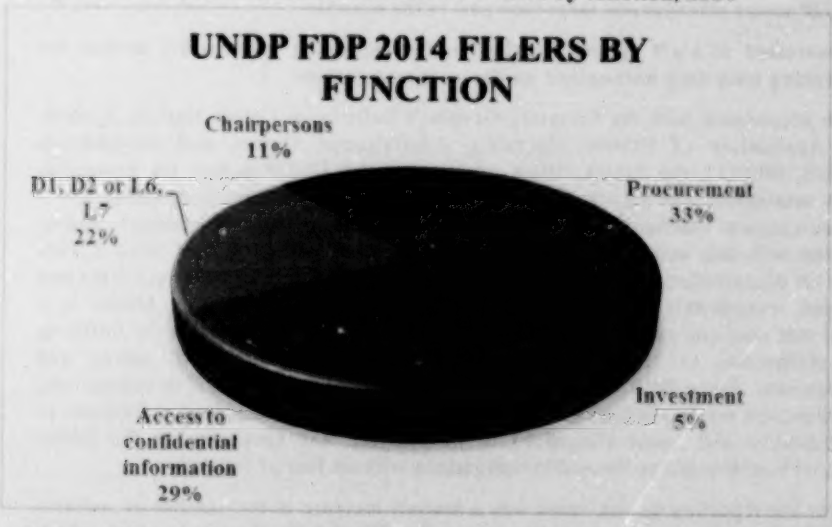


Figure 6. Breakdown of financial disclosure filers by function, 2014



Review of data and provision of advice

51. As in previous exercises, the Office's review of financial disclosure programme statements followed a three step approach. First, individual statements were vetted to ensure internal consistency of information. Where information was incomplete or unclear, the filer was contacted to provide additional information or clarification. The second step compared the disclosures against a restricted list of UNDP vendors and investment funds. The third step entailed an examination of outside interests and activities of the filer (and family members) against relevant prohibitions or restrictions contained in the United Nations staff regulations and rules. These comparisons were undertaken, bearing in mind the staff member's respective functions and duty station. The purpose was to identify potential conflicts of interest and, where conflicts were detected, to offer remedial or proactive advice.

52. Since 2012, the online reporting system allows for those statements with no transactions (~21 per cent of the total in 2015) to be automatically cleared. At the end of the review, the Office sent clearance messages to over 99 per cent of the filers.

53. Because it is critical that the organization manages and remediates risks arising from potential conflicts of interest as soon as they are detected, the Office reviewed statements as they were submitted, allowing for immediate feedback to filers. In 2015, the Office provided advice to a total of seven (7) filers in cases where an apparent conflict of interest was detected. In forty (40) cases, proactive advice and guidance was provided to manage or mitigate a potential conflict of interest so that an actual conflict of interest could be avoided.

Verification of financial disclosure programme *statements*

54. Unfortunately, due to the loss of the junior professional officer and the resignation of the Ethics Adviser mid-year, the Ethics Office dispensed with the verification exercise in 2015. It is expected that verification will be reinstituted in 2016 for a small, randomly selected number of financial disclosure programme filers, by using a stratified sample representative of the total population's location, grade and gender.

Secretary-General's voluntary public disclosure initiative

55. The United Nations Ethics Office administers the Secretary-General's voluntary public disclosure initiative for senior officials at the assistant secretary-general level and above. The UNDP Administrator, Associate Administrator and several members of UNDP senior management team took part in the exercise.

E. Protection of staff against retaliation for reporting misconduct and/or for cooperating with duly authorized audits or investigations

56. In accordance with the Secretary-General's bulletin on United Nations System-Wide Application of Ethics: Separately Administered Organs and Programmes (ST/SGB/2007/11), the Ethics Office administers the UNDP policy for protection against retaliation. The policy is both a whistleblower protection programme and a risk management mechanism to encourage individuals to report misconduct and/or cooperate with duly authorized audits and investigations, without fear of reprisal. This serves the organization well by permitting UNDP to effectively address such risks and situations immediately, hopefully before they become more serious problems. It is critical that staff and others feel confident that they will suffer no harm for fulfilling their obligations to report suspected wrongdoing, or work with audits and investigations. Since 2013, the policy extends protection beyond staff to contractors, UN-Volunteers serving in UNDP, and interns. It encourages all covered individuals to raise concerns and report allegations of misconduct, and cooperate, to the fullest extent, with authorized audits and investigations without fear of retaliation.

57. For the reporting period, there was a marked increase in the number of contacts made with the Office under the policy: nineteen (19) such cases were handled, which is a 35 per cent increase over the fourteen (14) received in 2014, and a 475 per cent increase over the four (4) received in 2013. This represents the largest number of potential retaliation matters ever handled in one year by the Office.

58. Of these nineteen (19) cases, five (5) were formal complaints of retaliation, requesting protection, and warranting preliminary assessment (two of these five cases commenced in late 2014, though the work was conducted in 2015). Following preliminary assessment, a prima facie case of retaliation was established in two (2); both were referred to the Office of Audit and Investigations for a determination whether there was sufficient evidence to prove retaliation was threatened or committed. In one of these cases the investigation found evidence to support the complaint of retaliation and the Ethics Office independently determined that retaliation had been established. Recommendations were made to, and implemented by, the head of the business unit involved to safeguard that the complainant did not continue to suffer the effects of the retaliation. The case was also referred to the Legal Support Office for a determination

as to whether disciplinary action should be instituted against the staff member who committed the retaliation. In the other case, the staff member was found to have been disingenuous in the claim, and the matter was dismissed.

59. In the remaining three (3) matters that underwent preliminary assessment, the Office advised complainants that no prima facie case of retaliation was established. This was because either the negative action perceived did not exist or the job action to be taken was supported by legitimate business justification that outweighed any inference of nefarious purpose.

60. In the fourteen (14) cases where staff and contractors did not file for formal protection, but rather sought advice concerning potential retaliation claims, the Office provided varied amounts of assistance and guidance. In each such case, the Office met or corresponded with the individual multiple times and reviewed detailed documentation to understand the circumstances of the person's concerns as to whether certain actions or imminent actions were retaliatory in nature or legitimate exercises and application of policy. Many involved individuals whose positions were being affected by the structural realignment and their current positions were either being eliminated or changed in some manner; assurances were required that process and policy were indeed being followed and decisions were made objectively. Others involved situations that were resolved through informal processes. Some simply did not meet the threshold requirement for a potential retaliation case. In each case, detailed advice and guidance about the policy were provided and the Office maintained an 'open door policy' towards those individuals in order to receive periodic updates if circumstances changed.

61. Finally, two (2) members of the Ethics Panel of the United Nations approached the Office to seek confidential advice regarding the handling of potential retaliation matters; no identifying details were discussed.

IV. The Ethics Panel of the United Nations and the Ethics Network of Multilateral Organizations

62. The Office continued its active participation in the monthly meetings of the Ethics Panel of the United Nations (EPUN, comprised of the heads of ethics offices in the United Nations funds, programmes and specialized agencies and chaired by the Director of the United Nations Ethics Office), and has significantly contributed to the dialogue on policy harmonization and system-wide coherence. Over the year, the Director was appointed Vice-Chair of the Panel, and was Chairman Pro Tem during the months subsequent to the departure of the previous Chair, until the arrival of the current Chair. The Director has led discussions with EPUN generally and continued to serve as a confidant for other ethics officers, sharing his experience, expertise, best practices, and ethics awareness materials developed and distributed within UNDP.

63. The Office also participated in the annual meeting of the Ethics Network of Multilateral Organizations, comprised of the ethics officers of United Nations organizations and affiliated agencies. Once again, the Director participated on a panel discussion on 'Collaborative Efforts on Training and Education in Ethics'. The Office also contributed to general discussions on harmonizing ethics best practices across the United Nations system.

V. Recommendations to management to strengthen the UNDP culture of integrity and compliance

64. In its decision 2011/24, the Executive Board called on the Ethics Office to make recommendations to management on how to strengthen the UNDP culture of ethics, integrity

and accountability. UNDP management is therefore requested to consider the following recommendations:

(a) *Formally provide guidance for secondments, special leave without pay and loaned personnel arrangements.* [This is a carryover recommendation from 2013 and 2014 as the issue continues to arise with staff seeking assistance from the Office.] Beginning in 2012, the Ethics Office collaborated with the Office of Human Resources, the Legal Support Office, and the Procurement Support Office to seek consensus on how best to control the various arrangements existing in UNDP for retaining staff and other personnel through secondments, non-reimbursable loans and special leave without pay. These discussions continued in 2013, 2014 and 2015 with no resolution. This forces the Ethics Office to provide guidance for each matter on a case-by-case basis in order to mitigate potential conflicts of interest. However, a uniform process concerning these arrangements will result in fewer requests for ad hoc advice and guidance and fewer opportunities for inconsistent treatment.

Recommendation 1. *It is recommended that management agree on and implement the form and content of arrangements to manage the movement of staff and individuals to UNDP from external entities, and to agree on the criteria to determine when each form is most appropriate, in order to help avoid conflicts of interest.*

(b) *Ensure the Ethics Office is included in pertinent meetings and discussions to remain relevant to the organization.*

(i) In 2014, at the direction of the then Associate Administrator, the Ethics Office, together with the other independent oversight offices, UN-Volunteers and the United Nations Capital Development Fund, were limited to quarterly participation in the Organizational Performance Group meetings. Ostensibly, issues concerning risk, accountability, human resources and policy matters were to be tabled at these quarterly meetings in order to permit open discussion from those absent from regular Organizational Performance Group meetings. All other regular Organizational Performance Group meetings were to be limited to programmatic and operational issues (though all materials were shared with the Ethics Office et al.). In fact, during several regular Organizational Performance Group meetings, matters, which the Ethics Office had been led to believe had appeared on the quarterly meeting agendas, were discussed and decided; as such, discussion and input was relegated to email rather than more fruitful face-to-face discourse. The Office had previously used these meetings as an opportunity to engage with UNDP senior leadership to: (a) provide confidential ethical advice and guidance; (b) support ethical decision-making at the highest levels of the organization; (c) keep abreast of all major UNDP initiatives and policies; and (d) offer value, as needed, in areas where the Director may have expertise that transcends 'ethics' in the traditional sense. The Office urges reconsideration of the exclusion of the Ethics Office from all Organizational Performance Group meetings.

(ii) The new Associate Administrator assumed his role in December 2015. It is critical that the Ethics Office have regular meetings with the Associate Administrator and/or the Administrator to ensure the organization's ethical culture is strengthened.

Recommendation 2. *It is recommended that management maintain or restore visible inclusion and embracing of the Ethics Office across the organization.*

VI. Conclusion

65. The Ethics Office adopted *Operate with Unwavering Integrity* as its mantra several years ago – it continues to drive and underscore all of its efforts to strengthen the ethical culture at UNDP. Results achieved by other than ethical means are simply unacceptable. The Office is committed to working with UNDP leadership, management, staff, the Staff Council

and the Ombudsman to ensure that the culture of UNDP reflects the highest in ethical standards. Management at the senior-most levels of the organization has invested in this goal and agrees that ethical behaviour and ethical business decision-making are essential to the success of the organization and to maintain the trust invested in UNDP by Member States and the public that it serves. They also appreciate the practical, business value of ethics. Because staff, contractors, the Staff Council and the Ombudsman understand and welcome the unique role Ethics plays in promoting whistleblowing and protecting said whistleblowers from retaliation, the Ethics Office continues to be viewed as a safe haven for sound, confidential and empathetic advice and guidance. The Office reinforces, to staff and leaders alike, the critical role that maintaining an open-door policy brings to the organization, and that only when staff feel comfortable raising concerns without fear of retribution can UNDP succeed. Early detection leads to early resolution.

66. An ambitious strategic plan requires fully engaged staff, performing ethically at optimal levels. A positive work environment and organizational culture of integrity, transparency and accountability will go far in supporting that staff engagement.